

Article - Natural Resources

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§3-117.

(a) Bonds and notes authorized to be issued under the provisions of this subtitle by resolution of the Board may be secured by a trust agreement by and between the Service and a corporate trustee, which may be any trust company, or bank having trust powers, within or without the State. The trust agreement, or the authorizing resolution, may pledge or assign all or any part of the revenues of the Service or of any project or other available funds of the Service or pledge, convey, or assign any one or more facilities or properties. Any trust agreement or resolution authorizing the issuance of bonds or notes may contain the provisions for the protection and enforcement of the rights and remedies of the bondholders and the trustee deemed reasonable and proper and may restrict the individual right of action by bondholders. In addition, the trust agreement may contain other provisions which the Board deems reasonable and proper for the security of the bondholders, including, without limitation, covenants to abandon, restrict, or prohibit the construction or operation of competing facilities and covenants pertaining to the issuance of additional parity bonds or notes upon conditions stated therein consistent with the requirements of this subtitle. All expenses incurred in carrying out the provisions of any trust agreement may be treated as a part of the cost of the operation of any project or projects in connection with which the bonds or notes have been issued.

(b) The proceeds of the sale of bonds or notes secured by a trust agreement shall be paid to the trustee under the trust agreement securing the bonds or notes and shall be disbursed in the manner and under the restrictions, if any, that may be provided in the trust agreement.

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